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Turks and Caicos Islands

Working paper prepared by the Secretariat

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I. General

1. The Turks and Caicos Islands is a Non-Self-Governing Territory administered by the United Kingdom of Great Britain and Northern Ireland. The Territory comprises 40 islands and cays, which lie 145 kilometres north of Haiti and the Dominican Republic and 925 kilometres south-east of Miami, United States of America. Six islands are permanently inhabited: Grand Turk, where the administrative capital, Cockburn Town, is located; Providenciales, the business and tourist centre; North, Middle and South Caicos; and Salt Cay. The area of the Territory is 948.2 square kilometres.[1]

2. The Turks and Caicos Islands were discovered by Spain in 1512. From 1874 to 1959, the Islands were governed by the United Kingdom of Great Britain and Northern Ireland as a dependency of Jamaica. They became a separate colony of the United Kingdom in 1962, under the control of the Bahamas. When the Bahamas achieved independence in 1973, the Turks and Caicos Islands were placed under a British Governor stationed in Grand Turk.

3. As reported previously, the British Overseas Territories Act of 2002 provided the right to British citizenship for the citizens of all United Kingdom Territories, including the Turks and Caicos Islands.

4. According to the territorial Government, the population was estimated at 36,605 in 2008, up from 34,862 in 2007. This represents a large increase, about 83 per cent, over the 2001 figure of 19,886 and is due mainly to immigration.[2] Approximately 11,750 citizens of the Turks and Caicos Islands, the so-called "belongers", have the right to vote and to stand in general elections. Belonger status is granted by the Cabinet based on length of residence in the Territory, contribution to society and how well one has assimilated into the community. One may also become a belonger through marriage. The remaining part of the population, mostly from Haiti and the Dominican Republic, as well as the United States of America, Canada, the United Kingdom and other European countries, are considered "non-belongers".[1]

5. In a report issued on 6 July 2008, the United Kingdom Foreign Affairs Committee concluded that, although extending voting rights to non-belongers would be politically difficult for Overseas Territory governments, the Government should at least encourage local administrations to review this issue with regard to non-belongers who have resided in an Overseas Territory for a reasonable period. They also recommended that the rights of non-belongers should be an agenda item for the next meeting of the Overseas Territories Consultative Council.[3]

6. Nearly two thirds of the belonger population and the great majority of the expatriate community (approximately 24,350 people) reside on Providenciales. The second largest population centre is Grand Turk, with 5,718 inhabitants, followed by North, Middle and South Caicos and Salt Cay.[1] The majority of the Territory's

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Note: The information contained in the present paper has been derived from published sources, including those of the territorial Government, and from information transmitted to the Secretary-General by the administering Power under Article 73 *e* of the Charter of the United Nations.

[1] Turks and Caicos Islands, Department of Economic Planning and Statistics, accessed at www.depstc.org.

[2] The Economist Intelligence Unit, Country Profile, January 2009, www.eiu.com.

[3] Seventh report of the Foreign Affairs Committee, session 2007/08, Overseas Territories.

population is of African descent, the rest being of mixed or European origin. English is the main language, with some Creole spoken by Haitian immigrants. The main religion is Christianity.

II. Constitutional, legal and political issues

7. A new Constitution came into effect in Turks and Caicos on 9 August 2006. It was negotiated as a result of the 1999 United Kingdom Government White Paper on the relationship between the United Kingdom and its Overseas Territories,[4] which required the Territories to amend their local legislation in certain areas, in order to meet international standards. The British Overseas Territories Act 2002 came into force in May 2002 (see A/AC.109/2006/15).[5]

8. Under the new constitution, the Turks and Caicos Islands continues to operate on the basis of a ministerial system of Government, with a Governor in the Territory appointed by the administering Power. A new Governor, Gordon Wetherell, was sworn into office on 5 August 2008.[6] The new Constitution created the position of Deputy Governor who must be a belonger and is appointed by the Governor. On 16 March 2009, however, the United Kingdom decided that parts of the Constitution would need to be suspended so as to remove the Cabinet, the House of Assembly and references to ministerial and related powers (see also paras. 26-28).

9. Until such time, the Executive Government consists of a Cabinet, headed by a Premier, Michael Misick, and composed of the Governor as Chairman, the Premier, six other ministers and the Attorney-General. The Governor is responsible for external affairs, defence, internal security, including the police force, and some public service matters, including the regulation of international financial services, and consults with the Cabinet as necessary. Other portfolios are administered by the various cabinet ministers. The Governor acts on the advice of the Cabinet on these matters unless otherwise instructed by the Secretary of State on behalf of the administering Power. An Advisory National Security Council, chaired by the Governor, makes recommendations to the Cabinet on national security issues.

10. Since the 2006 Constitution came into effect, the Territory has also had a House of Assembly, consisting of a Speaker, 15 elected members, 4 appointed members and the Attorney-General (paras. 26-28 contain further information).

11. There are two main political parties in the Territory: the People's Democratic Movement and the Progressive National Party, formed in 1975 and 1980, respectively.

12. The most recent general election was held on 9 February 2007 with a voter turnout of 85 per cent.[7] The ruling Progressive National Party, under Premier

[4] "Partnership for Progress and Prosperity: Britain and the Overseas Territories", white paper submitted to the House of Commons on 17 March 1999 by the United Kingdom Secretary of State for Foreign and Commonwealth Affairs.

[5] Explanatory memorandum to the Turks and Caicos Islands Constitution Order 2006 (Statutory Instrument 2006, No. 1913), www.opsi.gov.uk.

[6] Information provided by the administering Power, 19 February 2009.

[7] Ibid., 22 February 2007.

Misick, won 13 seats, against 2 won by the People's Democratic Movement.[8] The next general election is due by April 2011.[9]

13. Paragraph 23 below contains information on developments with regard to the Premier's resignations as premier and party leader.

14. The legal system is based on English common law. Under the provisions of the 2006 Constitution, it continues to include magistrates' courts, the Supreme Court and the Court of Appeal, with ultimate recourse to the Privy Council. On the advice of the Judicial Service Commission, the Governor appoints judges and magistrates.

15. Within the exercise of the constitutional review leading to the new Constitution, which was agreed upon between the Governments of the United Kingdom and the Turks and Caicos in October 2005[3] and entered into force on 9 August 2006, an issue of particular importance to the Turks and Caicos Islands was the degree of self-government that might be achieved, including the possibility of full internal self-government. Meanwhile, the United Kingdom has consistently maintained its position that territories can exercise a choice for independence, where it is an option and where it is the clearly expressed wish of the people; however, for as long as that territory maintained a relationship with the United Kingdom, the United Kingdom would have to retain sufficient powers to protect its overall responsibility for the territory concerned. In that light, the Territory's Constitutional Modernization Review Body explained that, given the United Kingdom's position, a constitution encompassing a full measure of internal self-government (e.g., a "Bermuda-style" constitution) represented a "pre-independence" constitution and would have to be accompanied by a timetable for independence. Once that became known, there was little support in the Territory for independence (for more details, see A/AC.109/2007/5).[10]

16. While that process was ongoing, and at the request of the territorial Government, the Special Committee on Decolonization sent a mission to the Turks and Caicos Islands from 2 to 7 April 2006, the first to the Territory since 1980, to assess the situation on the ground and to inform interested groups and the public on matters of self-determination. Addressing the issue of specific political options in its report, the special mission found that the policy of the administering Power not to offer integration or free association had made the matter more complex. As a result, many people in the Turks and Caicos Islands appeared to have dismissed those options, even when it was explained that such alternatives were available to the Territory, even with countries other than the United Kingdom.[11] In this context, it should be noted that the political leadership of the governing party had been engaged in discussions with Canada, most recently in 2004, on a possible free association arrangement, thus demonstrating that such possibilities were clearly understood at the highest political levels.[12]

17. The Foreign Affairs Committee of the United Kingdom House of Commons began a comprehensive inquiry in July 2007 into the exercise by the Foreign and

[8] www.caribbeannetnews.com, 12 February 2007.

[9] www.eiu.com, country report January 2009.

[10] Information transmitted by the administering Power, 9 January 2007.

[11] The report of the Special Committee's visiting mission (see A/AC.109/2006/19).

[12] With regard to the Premier's various statements relating to the issue of self-government and independence during 2007, see A/AC.109/2008/12, para. 16-18.

Commonwealth Office of its responsibilities in relation to the Overseas Territories and the achievements of the Foreign and Commonwealth Office against its Strategic Priority No. 10, the security and good governance of the Overseas Territories.

18. On a separate issue, the Foreign Affairs Committee also questioned the Premier about allegations of substantial financial impropriety taking place in the Turks and Caicos Islands. The representation received by the Committee implied that corruption, including at the Government level, was taking place. In its report published on 6 July 2008, the Foreign Affairs Committee expressed concern about serious allegations of corruption in the Territory.

19. According to information provided by the administering Power, the Governor and members of the Foreign Affairs Committee had received allegations in relation to elected members of the Turks and Caicos Islands House of Assembly, which had started to damage the reputation of the Territory. There were signs that the allegations could also affect the Islands' tourism industry. It was also perceived that there was a great risk that they would damage the United Kingdom's own reputation for promoting good governance, and the Governor therefore concluded that the United Kingdom Government had to find a way to assure people that a formal process with safeguards was under way. He recommended the appointment of a commission of inquiry to conduct a full and independent inquiry into the allegations.[6]

20. On 10 July 2008, the Governor appointed a commission of inquiry to examine whether there was any information that corruption or other serious dishonesty in relation to past and present elected members of the House of Assembly might have taken place since 1 January 2003.

21. At the end of April 2008, allegations were made that Premier Misick had sexually assaulted an American woman earlier that month. The matter is under investigation by United States law enforcement officials.[13]

22. On 19 December 2008, Governor Wetherell prorogued the House of Assembly *sine die*, as requested by Premier Misick, who had successfully procured an adjournment of a vote of no-confidence filed by the People's Democratic Movement opposition a few days earlier. All parliamentary activities were therefore suspended until the Governor decided they should resume. Immediately after the adjournment, 9 out of 13 Progressive National Party (governing party) members of parliament wrote to Governor Wetherell saying that they had lost confidence in the Premier's leadership and asking that he be removed and replaced by Deputy Premier/Finance Minister Floyd Hall.[14]

23. On 13 February 2009, Premier Misick announced that he would step down as party leader at the end of February and resign as Premier on 31 March 2009, citing the Territory's need for "stability and certainty". The announcement, which was applauded by the islands' opposition party leader Floyd Seymour as "long overdue", came just hours after Deputy Premier Hall resigned over differences with the Premier. Premier Misick then named Lillian Boyce, whom he had ousted from the Cabinet the previous month, as the new Deputy Premier.[15]

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[13] www.eurweb.com.

[14] See www.caribbeannetnews.com, 20 December 2008.

[15] See www.boston.com and www.newsvine.com, 13 February 2009.

24. On 28 February 2009, Galmo Williams, a member of Parliament who had shortly before resigned as Minister of Home Affairs and Public Safety to focus his effort on the party leadership of the Progressive National Party, was elected to succeed Michael Misick as party leader. As the new party leader, he has put himself in position to be the next premier of the Turks and Caicos Islands.[16]

25. On 17 February 2009, after over four weeks of hearings, the Commission of Inquiry concluded oral proceedings in Providenciales. The Commission subsequently returned to London and issued an interim report.[16]

26. In a written ministerial statement issued by the Parliamentary Under-Secretary of State, Foreign and Commonwealth Office, Gillian Merron, on 16 March 2009, the Secretary referred to the interim report of the Commissioner, which had been published on the same day by the Governor of the Turks and Caicos Islands.[17] According to the statement, the Commissioner noted that the written information obtained in the Commission's inquiries, coupled with the evidence in the public hearings in the Territory earlier in the year, had provided information in "abundance pointing to a high probability of systemic corruption or serious dishonesty". In his view, this, together with "clear signs of political amorality and immaturity and of general administrative incompetence, have demonstrated a need for urgent suspension in whole or in part of the Constitution and for other legislative and administrative reforms" and change in other related matters.

27. In light of the accumulation of evidence in relation to the Turks and Caicos Islands, and fortified by the Commissioner's interim report, the Secretary noted that the United Kingdom had formed the view that parts of the Constitution would need to be suspended and had decided to take steps to do so. She also pointed out that she was making available on the Foreign and Commonwealth Office website a draft order in Council prepared by the Office which would suspend parts of the Constitution, including those relating to ministerial government and the House of Assembly, initially for two years, although this period could be extended or shortened. The draft order would be submitted to Her Majesty in Council at a meeting on 18 March 2008. If made, the order would be laid before Parliament on 25 March. Unless the Commissioner's final report significantly changed the current assessment of the situation, the order would be brought into force after the final report was received; however, the order could be brought into force sooner if circumstances arose in the Territory prior to that date which justified suspending relevant parts of the Constitution. This intervention was for an interim period only.

28. As drafted, the order would leave in place important elements of the Constitution, such as the chapter on fundamental rights and provisions relating to the Governor, the courts and the public service, while removing the Cabinet, House of Assembly and references to ministerial and related powers. Powers and functions currently exercised by Ministers would be exercised by the Governor acting in his discretion, including in relation to public finances, legislation and necessary regulatory reform.[18]

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[16] *Turks and Caicos Free Press*, http://freepress.com.

[17] See www.tci-inquiry.org.

[18] Written Ministerial Statement, 16 March 2009, accessed at www.fco.gov.uk.

III. Budget

29. The budget is projected on a triennial basis, with annual revisions. The fiscal year covers the period from April to March.[19]

30. Until the recent global financial crisis hit, the overall economy of the Territory had made great progress over the past two decades or so, with the Government acknowledging the need to address considerable imbalances among the various islands and social groups. One measure taken was the launch of a 10-year national development plan on 27 October 2005, reported in the 2007 working paper (A/AC.109/2007/5), with the aim of providing a long-term vision for the Territory's development and a strategic framework for Government and private sector activities.[1]

31. The latest 2008-2009 budget address, presented by the Minister of Finance on 21 April 2008, outlined a total of recurrent expenditure of approximately $237 million, representing a 1 per cent increase over the previous fiscal year. Furthermore, recurrent revenues of $244.91 million, representing an 18.4 per cent increase over 2007-2008, were expected.[20] On 3 June 2008, however, the Minister of Finance announced a deficit of over $37 million, which he stated was in large part due to payments of bills for scholarships and medical care abroad for Turks and Caicos islanders.

32. In recent years, the Turks and Caicos Islands has received funding from the European Union and multilateral agencies, in addition to funds from the United Kingdom. Under the European Development Fund's ninth allocation from 2000-2007, the Turks and Caicos Islands received $13 million in funding to build a causeway between North and Middle Caicos (see also sect. IV.E). Following a midterm review of the ninth European Development Fund, the allocation was increased by an additional $6 million for an extension of the existing budget support programme, which is focused in general on transport and in particular on port and road infrastructure. The tenth European Development Fund allocation for the period 2008-2013 for the Turks and Caicos Islands amounts to $18.6 million.[21]

33. On 27 September 2007, an agreement was signed with the United Nations Development Programme outlining a two-year programme, which aims to provide vocational training for women and men throughout the islands; to strengthen the capacity of local governance actors to manage local affairs; and to improve national capacity to implement and monitor environment and disaster management programmes.[22]

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[19] Social and economic indicators 2005, Caribbean Development Bank, Economic Department, April 2006.

[20] Budget address by the Turks and Caicos Minister of Finance, delivered to the House of Assembly on 21 April 2008, accessed at www.depstc.org.

[21] European Union Commission, http://ec.europa.eu/development.

[22] www.jm.undp.org/content/turks-and-caicos-islands.

IV. Economic conditions

A. General

34. Since the 1980s, the main sectors of the economy have been upmarket tourism, offshore financial and business services, fishing, property development and real estate. Foreign investors, mainly from Canada, the United Kingdom and the United States, play a significant role in the economic life of the Islands. Economic activity is concentrated on the most populous islands of Providenciales and Grand Turk.[23] The territorial Government levies no taxes on corporate or personal income, capital gains or inheritance. The United States dollar is the official currency of the Turks and Caicos Islands. Since most of the Islands' requirements for capital and consumer goods, including all fuels, are met through importation, there is a vast structural trade deficit. The value of total merchandise exports in 2007 was $16.3 million against an import bill of $580.6 million. The trade deficit is largely financed by earnings from tourism and offshore finance. The United States is the most important supplier of goods to the Islands. As such, inflation reflects trends in the United States and costs associated with transportation.[24]

35. According to the Economist Intelligence Unit, real gross domestic product (GDP) growth is estimated to have fallen to 2.2 per cent for 2008, following years of double-digit growth rates, including 13 and 17.9 per cent in 2007 and 2006, respectively.[25] The strong growth described for 2006 and 2007 was driven primarily by a surge in construction activity, buoyed by work on tourism projects and commercial and residential property. The financial services sector, however, has been sluggish since 2002, when registrations of new companies were hit by regulatory requirements imposed by international agencies.[23]

36. The territorial Government has been investing heavily in infrastructure projects across the Territory, such as roads, ports and airports, during recent years. In December 2007, the Minister of Finance and Deputy Premier and the Minister of Health signed an agreement to provide financing for two new hospitals to be located in Grand Turk (20 beds) and Providenciales (40 beds). Construction work on the hospitals started in February 2008 and is expected to be completed in two years. The projects are a public-private partnership project, with both hospitals to be operated by Interhealth Canada (an international hospital management company, jointly owned by private- and public-sector organizations) for 25 years before being transferred to the Government. Funding for health projects of $124 million has been secured from FirstCaribbean International Bank, representing the largest single capital investment project ever made by the Government. The size of the investment has alarmed the political opposition, which claimed that the original estimate for construction was $50 million.

37. Tropical Storm Hanna and Hurricane Ike (a category 4 hurricane) hit the Territory in quick succession at the beginning of September 2008. The storms caused severe flooding and damage to the Islands' infrastructure. According to information provided by the administering Power, Hurricane Ike damaged 95 per cent of the buildings on Grand Turk and South Caicos. Over 700 people lost their

[23] See www.eiu.com, Country profile, Turks and Caicos Islands 2008.

[24] Ibid., main report, June 2006.

[25] Ibid., country outlook, 16 January 2009.

homes, but there was no loss of life. In its assessment of the damage and losses caused by the storms, the Economic Commission for Latin America and the Caribbean estimated total losses at $213.6 million.[6]

38. The Department for International Development provided £200,000 in post-hurricane humanitarian relief. Two Royal Navy vessels pre-positioned in the Caribbean also provided logistical and manpower support and distributed Department for International Development relief supplies carried on board for that purpose. The Department also deployed two humanitarian specialists to work with Turks and Caicos authorities and relief agencies. The Territory obtained a $6.3 million payment from the Caribbean Catastrophic Risk Insurance Facility.[26]

39. The United Kingdom Government has since donated £5 million towards the hurricane relief effort. On 27 January 2009, a memorandum of understanding to deal with the disbursement of the funds was signed between the Governments of the United Kingdom and the Turks and Caicos Islands. The main beneficiaries of the disbursements are intended to be education, health and housing.[27]

B. Tourism

40. After years of strong tourism growth in which tourist arrivals by air more than tripled between 1995 and 2007, reaching almost 265,000 visitors, and cruise passenger arrivals increased to 532,225,[20] 2008 saw tourism figures fall by 9 per cent.[27]

41. According to an end-of-year report from the Turks and Caicos Islands Hotel and Tourists Association, 2008 started relatively strong in terms of hotel occupancies at 74 per cent during the winter season; however, the increased price of oil and the negative impact of the global financial crisis, particularly in the United States where most of the Islands' tourists come from (approximately 68 per cent of total visitors, followed by Canada (12 per cent) and Europe (10 per cent))[28] resulted in occupancies falling to 43 per cent in the last four months of 2008.

42. In the context of the growing financial crisis, construction of a major luxury tourist resort was halted in September 2008, sparking an industrial dispute because of lack of payment of wages to the Chinese labourers working on the job.[23] The construction of Molasses Reef, a Ritz-Carlton hotel resort on West Caicos, had already cost $200 million before a decision by the developers to suspend construction was taken in October, even though it was three-quarters completed, as financing dried up and the outlook for tourism darkened.

43. Other high-end resorts on the Islands remain vulnerable to funding cuts, and those still in the planning stage — including a luxury 251-unit oceanfront resort at Pirate's Bay on the west coast of Grand Turk Island and a 125-room hotel, marina and condominium project on secluded West Caicos Island — appear unlikely at present to secure financing, which is severely denting economic growth prospects for 2009-2010.[9]

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[26] Written parliamentary questions, House of Commons, 19 November 2008, accessed at www.parliament.uk.

[27] *Turks and Caicos Sun*, accessed at www.suntci.com

[28] See www.depstc.org/stat/economic/tourism.html.

44. The vast majority of tourist arrivals (approximately 84 per cent) continue to be accommodated at resorts on Providenciales. A $40 million Carnival cruise ship terminal in Grand Turk was opened in 2006. The terminal has improved economic opportunities for small businesses and traders in Grand Turk.

C. Financial services

45. Financial services, including company registration, trust business and insurance, are the second largest source of external revenue after tourism and the third largest employer in the Turks and Caicos Islands. The absence of direct taxation, fast and straightforward company registration procedures, financial infrastructure and extensive financial freedom and confidentiality continue to be among the attractions for offshore companies. There are four commercial banks in the Territory, including FirstCaribbean Bank, Barclays Bank (United Kingdom), Scotiabank (Canada) and Royal Bank (Canada).

46. During 2007 financial intermediation accounted for 10 per cent of GDP. Total assets for the banking system expanded during 2007 and surpassed $1.6 billion. Loans and advances reached $986 million, for an increase of $300 million. For 2008 the focus of the financial services sector was on yacht and jet registries, including their financing and insurance.[20]

47. According to the administering Power, constitutional responsibility for the international regulation of the Territory's offshore finance sector continues to rest with the Governor.

48. In the context of a review, the House of Commons Foreign Affairs Committee was concerned by the National Audit Office's finding that the Foreign and Commonwealth Office had been complacent in managing the risk of money-laundering, including in the Turks and Caicos Islands. The Foreign Affairs Committee agreed with the United Kingdom Public Accounts Committee's report issued on 31 March 2008, which, inter alia, recommended that the Governor should use reserve powers to bring in more external investigators or prosecutors to strengthen investigative capacity.

49. In his reply to the Foreign Affairs Committee report, the United Kingdom Secretary of State for Foreign and Commonwealth Affairs agreed with the recommendation on the provision of external investigators where appropriate. The general approach of the Government of the United Kingdom had been to work with regional technical assistance providers such as the International Monetary Fund and with Territory agencies to enhance their own systems to detect, investigate and prosecute money-laundering and other suspected abuses. Recent examples of assistance included funding the introduction of a computerized case-management system for the Territory's Financial Crime Unit and the drafting of up-to-date crime legislation in the Turks and Caicos Islands.[29]

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[29] Seventh report of the Foreign Affairs Committee, Session 2007/08, Overseas Territories, response of the Secretary of State for Foreign and Commonwealth Affairs, September 2008, para. 91.

D. Agriculture, fisheries and construction

50. Agricultural production is limited by a lack of fresh water and consists mainly of the growing of vegetables and citrus fruits on the Caicos Islands. Around 20 per cent of the Territory's working population is involved in agriculture and fishing.[23]

51. The main productive primary sector is fishing. Lobster, conch and other marine creatures make up the largest component of exports. The Government has supported the development of a tilapia fish farm. Fisheries output strengthened in 2006, with lobster and conch output both registering increases; however, overfishing, poaching and increased competition from countries such as Honduras and Jamaica have caused a downturn. The latest available data show that agriculture and fishing contributed only 1 per cent of the Territory's gross national product in 2006.[23]

52. International construction companies are based in the Turks and Caicos Islands. Sand and rock are quarried locally for use in construction projects, most significantly for hotels and commercial buildings. The growth of tourism-related projects before the current financial crisis also added a boost to the construction sector, the most significant being the development of new luxury hotels and resorts, commercial building and public infrastructure. Construction accounted for around one half of GDP in 2007.[23]

53. Apart from the production of handicrafts for the tourism trade, there is no significant industrial activity on the Islands. Johnson Construction, a Caribbean-focused civil engineering and construction company, operates a concrete-making facility on Providenciales.[23]

E. Infrastructure

54. Transport and communication facilities are of fairly good quality. The road network covers about 120 kilometres, with 24 kilometres of paved roads on Grand Turk, Providenciales and the Caicos Islands. As mentioned in paragraph 32, financing from the European Development Fund was secured to build a new causeway to link the two largest Caicos Islands (North and Middle). The causeway was officially opened in October 2007. The causeway is one of a series of initiatives to improve transport links between the islands.

55. The Turks and Caicos Islands have three international airports, on Providenciales, Grand Turk and South Caicos. There are also landing strips on Salt Cay, Pine Cay, Parrot Cay, Middle Caicos and North Caicos. Non-stop flights are available from Atlanta, Boston, Charlotte, Miami, New York and Philadelphia in the United States, and from London and Toronto, Canada. Regional services operate to the Bahamas, the Dominican Republic and Haiti. Direct flights to Grand Turk by a low-cost United States carrier, Spirit Airlines, were introduced in 2005.[23]

56. Plans to redevelop Providenciales Airport by the winter of 2009, including the resurfacing and lengthening of the runway to 10,000 linear feet to accommodate transatlantic flights, construction of parallel taxiways, improvements to lighting and the construction of a new terminal, have been cancelled. It was envisaged that the programme would have been financed by an additional $35 airport departure tax,

but the tax was seen as having the potential to cause a further downturn in the tourism sector.[30]

57. The main commercial port (South Dock) is situated in Providenciales. Grand Turk also has a commercial port, and a new deep water port in North Caicos was completed in 2007.[31]

58. As reported in the 2006 working paper (A/AC.109/2006/15), Cable and Wireless, a British telecommunications company, used to provide all domestic and international telephone services in the Territory. In July 2004, a telecommunications bill introduced gradual liberalization of the sector. According to information provided by the administering Power in January 2008, two companies, Digicel and Island.com, are already operating. This has extended the range of services available and improved mobile telephone coverage.

59. There are 12 cable television channels on Grand Turk and 32 on Providenciales, and 6 radio stations. A new national television channel with Turks and Caicos Islands New Media Network went on the air on 28 January 2008.[32] There are no daily newspapers, but the first daily online news forum for the Turks and Caicos Islands, established by the Turks and Caicos television network WIV4, was launched in November 2007.[33] The *Turks and Caicos Weekly News* and *Turks and Caicos Sun* are published weekly. The *Turks and Caicos Islands Free* Press is published once every two weeks. The *Times of the Islands*, an international magazine aimed at business and tourism, is issued quarterly.

V. Social conditions

A. General

60. During the 2008 budget speech delivered by the Minister of Finance, plans were announced for the creation of a social development fund. The fund was expected to contribute to educational, medical and youth development initiatives which would benefit 44 communities throughout the Territory. An allocation of $500,000 was to be made to this fund.[20]

B. Immigration and labour

61. In the current decade, population growth and immigration have resulted in a brisk expansion of the labour force, which grew by an average of 7 per cent annually in the period 2000-2006. Despite this trend, unemployment has declined in recent years, from an officially estimated peak of 12.6 per cent in 1999 to 5.4 per cent in 2007, reflecting increased economic activity related to construction and tourism. Unemployment rates within the Islands vary widely, from close to full employment in the main tourist centre, Providenciales, to around 30 per cent unemployment on North and Middle Caicos.[23]

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[30] www.caribbeannetnews.com, 8 January 2009.

[31] Eagle Land Developments, Turks and Caicos Islands, 2007, www.caicosproperties.tc/News.html.

[32] In *TCI Mall-Turks and Caicos Community*, www.tcimall.tc, 3 March 2008; see also www.tcinewmedianetwork.tc/index03.html.

[33] See wiv4.wordpress.com/about-2/.

62. In 2008, the Department of Economics, Planning and Statistics estimated that in 2006 the Turks and Caicos labour force stood at 19,659.[1] Approximately 70 per cent of the workforce is employed in the service sector, followed by industries and agriculture and fishing. Haitians remain the second largest group of employees after Turks and Caicos Islanders, comprising 4,154 in 2006. Inter-island migration by people in search of work is common.

63. During the Foreign Affairs Committee's first oral evidence session of the inquiry into the Overseas Territories on 3 December 2007, Premier Misick stated that one of the greatest threats to Turks and Caicos was illegal immigration from Haiti. He noted that on average 400 to 500 people a week came by boat to Turks and Caicos and that the Government was spending millions of dollars repatriating them, with no financial assistance from the United Kingdom. He also added that, while boats from the Royal Navy occasionally made visits, they did not provide assistance in patrolling the waters surrounding the Islands.[10]

64. In the July 2008 Foreign Affairs Committee report, it was recommended that the Foreign and Commonwealth Office should provide a regular Royal Navy presence in the coastal waters of the Turks and Caicos Islands to assist with patrols and that it should consider with the Government of Haiti further measures to prevent Haitians leaving Haiti by boat from entering the Territory illegally.[3]

65. Certain social problems, such as overcrowding, housing shortages and an increase in the number of female-headed households, continue to affect migrant workers, with both Chinese and Haitian immigrants known to be living in overcrowded makeshift camps.[34]

66. In accordance with the Employment Ordinance 2004, as of 1 December 2006, the Turks and Caicos Islands instituted a minimum basic wage of $5 per hour.[35] Labour disputes are dealt with via the Islands' Labour Tribunal.[36]

C. Education, youth and sports

67. Education in the Territory is free and compulsory for children from 5 to 16 years of age. There are 39 schools on the Islands, with a total enrolment of 5,257, covering preschool through tertiary education. Of these, 14 are Government-run schools, 10 primary schools and 4 high schools. Although there are more private than public schools, more students are enrolled at public schools (3,291) than at private ones (1,966).[1]

68. As to higher education, there is a community college with branches on Grand Turk and Providenciales that provides two-year courses, mostly in vocational subjects. The Territory opened its first hotel school on 6 January 2007. It offers specialized courses to help interested Turks and Caicos islanders enter the tourist industry.[27]

69. The adult literacy rate is estimated at 98 per cent. The rate among immigrants is much lower.[23]

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[34] See tcweeklynews.com, 8 October 2007, and www.suntci.com, 20 November 2007.

[35] See www.caribbeannetnews.com, 1 December 2006.

[36] See www.labour.tc.

70. For the fiscal year 2008-2009, expenditures on scholarships to citizens of the Territory were set at $20 million compared with the previous budget of $18.8 million. In July 2008, however, the territorial Government announced that students who had recently graduated from high school would have to wait for college scholarship approvals, as a result of financial shortfalls in the budget. This temporary hold on tertiary education funding is expected to remain in place until sometime in 2009.[37] Since January 2007, citizens from the Overseas Territories have benefited from the home student fee rate at English universities.[38]

D. Health

71. In 2007, the mortality rate for children younger than 5 was 4.3 per 1,000 live births, while the maternal mortality ratio stood at 2 per 1,000 live births. Nearly 100 per cent of births were performed by skilled personnel. In the area of HIV/AIDS and other diseases, antiretroviral drugs and condoms are available free of charge. Instances of malaria and tuberculosis are nearly non-existent.[20]

72. The public hospital network is comprised of the main facility, the Grand Turk Hospital, and the Myrtle Rigby Health Clinic, located on Providenciales. There are nine community health clinics on six islands: a 30-bed health complex on Grand Turk, a Government clinic on Providenciales, two clinics on Middle Caicos and two on North Caicos, a clinic on South Caicos and one on Salt Cay.[39] As mentioned earlier, in December 2007, the Ministers of Finance and Health signed an agreement to provide financing for two new hospitals to be located on Grand Turk and Providenciales. The two new hospitals are expected to be in operation sometime in 2010 (see also sect. IV for further information).[20]

73. For anything other than basic health care, Turks and Caicos islanders receive treatment in the United States, at the expense of the territorial Government; however, in his 2008 annual address, Premier Misick highlighted the Government's concern over the escalating costs of medical treatment abroad and noted that it was no longer a sustainable alternative, as these treatments continued to represent major budget cost overruns. The Government therefore planned to introduce a national health insurance plan to reduce the cost. The Premier noted that, coupled with the construction of the new hospitals, it was hoped that this new initiative would help eliminate the need for medical treatments abroad. In 2008 the Cabinet approved a 12-month workplan for the introduction of national health insurance by April 2009.[20]

74. For the 2008 fiscal year, the territorial Government announced an increase of 10 per cent over the 2006-2007 budget, which had provided approximately $31.2 million to health services.[40]

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[37] See www.caribbeannetnews.com, 9 July 2008.

[38] http://www.fco.gov.uk, 23 November 2006, Lord Triesman, Overseas Territories Minister, eighth meeting of the Overseas Territories Consultative Council on 21 and 22 November 2006.

[39] Kairi Consultants Limited, Main Situational Analysis Report, October 2006, pg. 81.

[40] 2006/07 budget address, 8 May 2006, p. 27; see also budget address, 21 April 2008.

E. Crime and justice

75. In connection with the allegations of financial impropriety and corruption taking place in the Turks and Caicos Islands, including at the Government level, in April 2008 the Turks and Caicos Islands House of Assembly established a standing Integrity Commission with extensive powers to investigate the allegations.[41] Additional information on the corruption allegations is mentioned in the constitutional, legal and political issues section of the present working paper.

76. With regard to illegal immigration, the territorial Government announced on 18 June 2008 that a new coastal radar surveillance system would cover a wide area of the Territory and was to be used in detection, interception and prevention of illegal or criminal activity, such as the trafficking of narcotics, people, firearms and other forms of contraband. Additionally, the system is intended to aid in search and rescues.[42]

77. Gun-related crime is an issue on the Turks and Caicos Islands, leading the police to launch a month-long gun amnesty in May 2007, which led to seven firearms and 71 rounds of ammunition being handed in.[43] During the remainder of that year, an additional 33 new officers were recruited to the Royal Turks and Caicos Islands police force, a management services unit was established, and over $800,000 was spent on several projects, including procurement of vehicles and replacement of engines for police aircraft. Through private finance initiatives, the construction of a new courthouse and police station is planned, consistent with the Government's Ten-Year Economic Development Plan adopted in 2007.[20]

F. Environment

78. As mentioned in paragraph 37, in September 2008, the Territory suffered extensive damage from Hurricane Ike. For 2008 the territorial Government budgeted $200,000 for emergency aid.

79. In the context of the Overseas Territories Consultative Council meeting held on 28 and 29 October 2008, the Territory agreed to work to address the potential impact of climate change in the Overseas Territories and to promote sustainable environmental policies in the Territory, with additional support from the United Kingdom Department for the Environment, Food and Rural Affairs.[44]

80. The developers of the Leeward Marina project in the Turks and Caicos Islands, Leeward Waterfront Ltd., received an injunction from the Supreme Court for their refusal to suspend work on the project pending a judicial review and were threatened with fines, seizure of their assets and imprisonment. Environmentalists claim the ongoing dredging is having devastating effects on the coral reefs.[45]

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[41] *News Distribution Service*, 6 July 2008, accessed at http://nds.coi.gov.uk.

[42] See www.caribbeannetnews.com, 24 June 2008.

[43] See www.tcifreepress.com, 8 June 2007.

[44] Foreign and Commonwealth Office, 30 October 2008, www.fco.gov.uk/en/newsroom/latest-news/?view=News&id=8357589.

[45] See caribbeannetnews.com, 18 August 2008.

VI. Relations with international organizations and partners

81. In March 2006, the Turks and Caicos Islands was granted associate membership in the Economic Commission for Latin America and the Caribbean. The Territory was admitted as an associate member of the Commission's Caribbean Development and Cooperation Committee in early 2008.

82. The Turks and Caicos Islands is an associate member of the Caribbean Community and of the Association of Caribbean States. The Territory is a member of the Caribbean Development Bank and the International Criminal Police Organization. According to the administering Power, closer links are being sought with the Organisation of Eastern Caribbean States and with the neighbouring Bahamas.

83. Along with 17 Caribbean nations, the Turks and Caicos Islands form part of a World Bank catastrophe insurance pool established to assist the islands in the event of natural disasters (see para. 38).

84. In the context of the Overseas Territories Consultative Council meeting held in London on 28 and 29 October 2008, the territorial Government agreed upon the target date of October 2009 to achieve the extension of International Labour Organization (ILO) Convention concerning the Prohibition and Elimination of the Worst Forms of Child Labour and of the Convention on the Elimination of All Forms of Discrimination against Women and to consider the options available to meet international obligations on sexual orientation.[46]

85. In February 2008, the Minister of Human Services introduced the Human Rights Commission Bill, which is intended to harmonize Turks and Caicos law with that of the rest of the world. The bill has yet to pass following a debate in the Turks and Caicos Islands House of Assembly.[47]

86. Information on United Nations system activities involving the Turks and Caicos Islands, including on consultations concerning the ILO international labour conventions and international labour recommendations, can be found in document E/2006/47.

87. Upon the request of the Turks and Caicos Islands, the Territory is not subject to the overseas association decision implementing part IV of the European Commission Treaty. The arrangements with the European Union for association are not applied to the Turks and Caicos Islands, in accordance with the wishes of the Government.[48]

Human rights

88. In August 2008, stakeholders met in the Turks and Caicos Islands with the Caribbean human rights coordinator of a four-year project, carried out since 2007 by the Commonwealth Foundation, the Commonwealth Legal Education Association and the Commonwealth Human Rights Initiative. The project is funded by the United Kingdom's Department for International Development and the Foreign and

[46] See www.fco.gov.uk, 30 October 2008.

[47] See caribbeannetnews.com, 13 February 2008.

[48] European Commission, 18 March 2008, accessed at http://ec.europa.eu/development/geographical/regionscountries/countries/country_profile.cfm?cid=tc&type=short&lng=en.

Commonwealth Office with a view to helping the United Kingdom overseas territories to conform with international standards concerning human rights obligations and to develop action plans. At the meeting, human rights capacity-building in the British Overseas Territories of the Caribbean, Pacific and South Atlantic project was discussed.[49]

VII. Future status of the Territory

A. Position of the territorial Government

89. The most recent position of the territorial Government regarding the future status of the Turks and Caicos Islands is discussed in chapter II of the 2007 working paper, in connection with the constitutional modernization review exercise (see A/AC.109/2008/12).

B. Position of the administering Power

90. In a statement made on 6 October 2008 before the Special Political and Decolonization Committee (Fourth Committee) during the sixty-third session of the General Assembly, the representative of the United Kingdom said, inter alia, that her Government's relationship with its Overseas Territories was based on partnership, shared values and the right of each Territory to determine if it wished to retain its link to the United Kingdom, where applicable. Her Government had no intention of imposing independence against the will of such Territories (see A/C.4/63/SR.2).

91. She referred to various constitutional review processes that had been undertaken, aimed at providing a modern constitutional framework to reflect the specific circumstances of each Territory. Provisions relating to good governance, human rights and the roles of the Governor and locally elected politicians had been updated. She stated that her Government's support for the Territories focused on capacity-building and sustainable development. She indicated that the United Kingdom continued to work with the Territories, as appropriate, in areas such as political and economic transparency, security, reduction of vulnerability to natural and non-natural disasters, and environmental management.

92. In a paper dated 8 May 2008 and sent to the Chairperson of the Special Committee for circulation at the Pacific Regional Seminar on Decolonization in Bandung, Indonesia, later that month, the United Kingdom similarly set out its position,[50] as based on the 1999 white paper entitled "Partnership for progress and prosperity: Britain and the Overseas Territories" (see A/AC.109/1999/1, annex). The paper also addressed the status of various constitutional review processes undertaken in the framework of that white paper.

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[49] See www.caribbeannetnews.com.

[50] The full statement can be found at: http://www.un.org/depts/dpi/decolonization/regional_seminars_statements_08/united_kingdom.pdf.

C. Action by the General Assembly

93. On 5 December 2008, the General Assembly adopted without a vote resolutions 63/108 A and B, based on the report of the Special Committee transmitted to the General Assembly (A/63/23) and its subsequent consideration by the Special Political and Decolonization Committee (Fourth Committee) (A/63/408). Section X of resolution 63/108 B concerns the Turks and Caicos Islands. Under that section's operative paragraphs, the General Assembly:

> 1. *Recalls* the Constitution of the Territory, which took effect in 2006, and notes the view of the territorial Government that there remains scope for a degree of delegation of the Governor's power to the Territory so as to secure greater autonomy;
>
> 2. *Requests* the administering Power to assist the Territory by facilitating its work concerning public outreach efforts, consistent with Article 73 *b* of the Charter of the United Nations and, in that regard, calls upon the relevant United Nations organizations to provide assistance to the Territory, if requested;
>
> 3. *Welcomes* the continuing efforts made by the Government addressing the need for attention to be paid to the enhancement of social cohesion across the Territory.

United Nations A/AC.109/2009/11

General Assembly

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Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples

Anguilla

Working paper prepared by the Secretariat

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I. General

1. Anguilla is a Non-Self-Governing Territory administered by the United Kingdom of Great Britain and Northern Ireland. The Territory lies 240 kilometres east of Puerto Rico, 113 kilometres north-west of Saint Kitts and Nevis and 8 kilometres north of St. Maarten/St. Martin. The Territory has a relatively flat topography, a total area of 96 square kilometres and includes several offshore islets. The main island has a maximum length of 26 kilometres and a maximum width of 5 kilometres. The capital of Anguilla is The Valley, where 43 per cent of the population resides.

2. An estimate for 2008 puts Anguilla's population at 14,108 and the annual population growth estimate rate at approximately 2.3 per cent.[1] According to the administering Power, growth rates and other figures for 2008 are still being compiled.[2] There are several thousand Anguillians living abroad, in particular in the United Kingdom, the United States of America and the United States Virgin Islands. Of the total population, 99 per cent speaks English. Spanish or Chinese are the most common mother tongues among non-English speakers.

II. Constitutional, legal and political issues

3. Originally inhabited by the Arawaks, Anguilla was first colonized by British settlers in 1650. For administrative purposes, it was associated with Saint Kitts and Nevis from 1871 to 1980. Following the dissolution of the Federation of the West Indies in 1962, Saint Kitts-Nevis-Anguilla became a State in association with the United Kingdom. Following a number of demonstrations demanding secession from Saint Kitts and Nevis, in the referendum held in July 1967, the vote was 1,813 to 5 in favour of secession. Further demonstrations and protracted negotiations were followed by the intervention of British security forces in 1969 and the Anguilla Act of 1971, under which the United Kingdom reassumed direct responsibility for the administration of the Territory, appointed a Commissioner and provided for the establishment of an Island Council. A separate Constitution came into effect in February 1976. In 1980, at Anguilla's request, arrangements were made by the Government of the United Kingdom for the Territory to be withdrawn formally from the Associated State of Saint Kitts-Nevis-Anguilla and become a separate dependency of the United Kingdom.

4. In 1981 further constitutional talks between the Governments of Anguilla and the United Kingdom were held. Under a new Constitution, while not providing for a full measure of internal self-government, a substantial degree of additional local responsibility would be granted to the Government of Anguilla. The Anguilla House of Assembly approved the new Constitution and the United Kingdom enabled the Anguilla (Constitution) Order to come into force on 1 April 1982.

5. According to the Anguilla Constitution Order, which was amended in 1990, the Government of Anguilla consists of a Governor, an Executive Council and a

Note: The information contained in the present working paper has been derived from published sources, including those of the territorial Government, and from information transmitted to the Secretary-General by the administering Power under Article 73 *e* of the Charter of the United Nations.

[1] *Central Intelligence Agency (CIA)*, www.cia.gov, 24 February 2009, accessed on 27 February 2009.

[2] Information provided by the administering Power on 10 February 2009.

House of Assembly. The Governor, who is appointed by the United Kingdom, is responsible for defence, external affairs, internal security, including the police and prison services, international financial services, public service appointments and the application to public servants of their terms and conditions of service. On all other matters, the Governor is required to consult with and act on the advice of the Executive Council. At the same time, the Order stipulates that the British Crown reserves power, with the advice of the Privy Council, to make laws for the peace, order and good government of Anguilla.

6. According to the administering Power, Alistair Harrison was appointed Governor to take office in April 2009 upon the retirement of Governor Andrew N. George.

7. The Territory's Executive Council consists of the Chief Minister, not more than three other ministers and two ex officio members (the Attorney General and the Deputy Governor). The Governor acts as Chairman. The House of Assembly is elected for five-year terms. It comprises a Speaker, seven members elected from single-member constituencies, the same two ex officio members as in the Executive Council and two members nominated by the Governor, one of whom is appointed upon the advice of the Chief Minister and the other after consultation with the Chief Minister and the Leader of the Opposition, as appropriate.

8. General elections were held in Anguilla on 21 February 2005 and resulted in the return of the United Front Government, an alliance of the Anguilla Democratic Party and the Anguilla National Alliance, under Osbourne Fleming, with four seats. The Anguilla Strategic Alliance won two seats and the Anguilla United Movement one seat. Shortly afterwards, an opposition member crossed the floor, giving the Government five out of seven elected members in the House of Assembly. Given the even number of seats thus held by each opposition party, it was not possible for the Governor to appoint a Leader of the Opposition. The next elections are due by March 2010.[3]

9. The law of Anguilla is the common law of the United Kingdom, together with all legislation inherited from the former associated State of Saint Kitts-Nevis-Anguilla up to August 1971 and the local legislation enacted since. The law is administered by the Eastern Caribbean Supreme Court, which comprises a Court of Appeal and a High Court of Justice, courts of summary jurisdiction and a magistrates court. In the context of a review, the administering Power reaffirmed that the terms and conditions of employment of the Chief Justices were a matter for the Organization of Eastern Caribbean States, not the United Kingdom.[4]

10. The basis of the relationship between the United Kingdom Government and its Non-Self-Governing Territories is set out in a White Paper, entitled "Partnership for Progress and Prosperity: Britain and the Overseas Territories", published in March 1999.[5] The British Overseas Territories Act 2002, which came into force on 21 May

[3] Information provided by the administering Power on 16 January 2008; and www.fco.gov.uk.

[4] Seventh report of the Foreign Affairs Committee, 2007/08 session, Overseas Territories, response of the Secretary of State for Foreign and Commonwealth Affairs, September 2008, Cm 7473, p. 22, at www.fco.gov.uk/resources/en/pdf/pdf1/OST-response-fac.

[5] "Partnership for Progress and Prosperity: Britain and the Overseas Territories", White Paper submitted to the House of Commons on 17 March 1999 by the United Kingdom Secretary of State for Foreign and Commonwealth Affairs; reproduced in A/AC.109/1999/1 and Corr.1, annex 1.

2002, abolished the terms "colony" and "dependent territory" and granted the right of British citizenship to "British Overseas Territory citizens".

11. As previously reported, in early 2006 the territorial Government established a Constitutional and Electoral Reform Commission to reinvigorate the constitutional review process. This was to take into account the efforts of the Committee for Constitutional and Electoral Reform, which was set up in 2001 but did not finish its work and made no recommendations for reform. In July 2006, the Commission presented to the territorial Government its report, in which it recommended changes to the current constitution, designed to provide the Territory with more internal self-governance. The Commission found that Anguillians were generally satisfied with the 1982 Constitution, which provided them with a large degree of autonomy, external (United Kingdom) forces for defence, and overseas representation by the Foreign and Commonwealth Office. Furthermore, the Commission stated that there was one small group in the Territory that favoured independence. The Government has considered the recommendations, consulted with members of the House of Assembly and the public through a series of meetings, and is in the process of making further recommendations to the United Kingdom Government.

12. Speaking before the Foreign Affairs Committee of the United Kingdom House of Commons on 3 December 2007, in reply to a question as to when constitutional talks would restart, the Chief Minister stated that it was hoped they would start again in January 2008. They had not begun in September 2007 as expected, since the people of Anguilla had decided to revisit the Commission's recommendations. The feeling that emerged from that process, according to the Chief Minister, was that Anguilla should have full internal self-government. It was on that basis that the process would move forward.

13. In April 2008, the territorial Government held a public forum to address a number of constitutional reform issues. According to reports in the media, legislators present at the forum expressed agreement with the approach whereby the United Kingdom would grant the Territory full internal self-government, short of political independence. In June, a second round of meet-the-people constitutional discussions in the Territory took place and addressed the issue of the administering Power's use of orders-in-council.[6]

14. Later in the year, the territorial Government reiterated its aim to attain full internal self-government by moving the negotiating process forward, inter alia, by focusing on the need to find a more acceptable way for the United Kingdom to discharge its responsibilities in the information age other than the use of orders-in-council.[7]

15. According to the administering Power's statement shared with the 2008 regional seminar on decolonization, the Commission's recommendations relating to the revision of the Constitution of Anguilla were under consideration in the first part of 2008. Furthermore, in mid-2008, a team consisting of territorial Government officials, members of the House of Assembly and lawyers was set up to draft a new constitution using the concept of internal self-government as the basis for the exercise. In early 2009, the new draft constitution was in the process of being

[6] *The Anguillian*, 6 June 2008.

[7] www.gov.ai/story.php?id=257.

finalized for public consultation and discussion with the United Kingdom later in the year.[2]

III. Budget

16. In Anguilla, the fiscal year corresponds to the calendar year. According to the administering Power, in December 2008, the Minister of Finance presented the 2009 budget to the House of Assembly, stating that the overall strategy to address the unusual circumstances in the world economy would have to be a public and private sector initiative and would have to include immediate, short-term and long-term solutions. The recurrent expenditure for 2009 was projected at approximately EC$ 241 million,[8] with capital expenditure projected at approximately EC$ 98 million. Reserves stood at EC$ 36.5 million. Over 35 per cent of the recurrent expenditure was estimated to be spent by the Ministry of Social Development. About 42 per cent of the capital budget was allocated to the Ministry of Infrastructure, Communications, Utilities, Housing, Agriculture and Fisheries.

17. As previously reported, in 2007 the Chief Minister stressed the need for a fifth minister in the territorial Government.[9] On 17 January 2008, the United Kingdom made it known that it could not accommodate the proposal from Anguilla for the establishment of a fifth ministerial position.

18. In terms of assistance from the European Development Fund (EDF), the ongoing ninth EDF allocation to Anguilla amounts to €8 million. Adding the transfers from previous EDFs, the indicative territorial allocation amounts to €8.29 million. The total amount is granted to Anguilla as sector budgetary support to infrastructure, in particular with regard to air transport. The entire allocation has already been committed. Following the ninth EDF mid-term review, the initial allocation has been increased by €3 million, for an extension of the existing budget support programme, resulting in a total of approximately €11.3 million. Anguilla's tenth EDF allocation amounts to €11.7 million. As of December 2008, this allocation remained to be programmed.[10]

IV. Economic conditions

A. General

19. Economic development slowed in 2008, with growth showing single digits as compared to the period from 2004 to 2007, when on average the economy grew in excess of 10 per cent annually, largely based on the tourism sector. The revised gross domestic product (GDP) for 2006 was EC$ 290 million, an increase of about 18 per cent from the revised figure of EC$ 245 million in 2005. The per capita GDP

[8] Anguilla's currency is the East Caribbean dollar, which is aligned with the United States dollar at the rate of EC$ 2.70 to US$ 1.00.

[9] Osbourne Fleming, Uncorrected transcript of oral evidence to be published as HC 147-i, House of Commons, Minutes of evidence taken before the Foreign Affairs Committee, Overseas territories, Monday, 3 December 2007, at www.publications.parliament.uk/pa/cm200708/cmselect/cmfaff/uc147-i/uc14702.htm.

[10] http://ec.europa.eu/development/geographical/regionscountries/country-profile.cfm?CID=ai, accessed on 19 February 2009.

amounted to approximately EC$ 30,560, or some US$ 11,000. The major contributors to Anguilla's GDP in 2006 were tourism (27 per cent); construction (18 per cent); government services (15 per cent); and banking and insurance (12 per cent).[2]

20. In 2007, the GDP increased by 21 per cent. GDP growth in 2007 was driven primarily by activity in the tourism and construction sectors, as two major foreign direct investment resort projects, over US$ 500 million and US$ 250 million respectively, were continued.[11]

B. Tourism

21. Luxury tourism continues to be central to Anguilla's economy.[12] As previously reported, the territorial Government pursues a "low volume, high value" tourism strategy. The Anguilla Tourist Board and the Anguilla Hotel and Tourism Association market and promote the Territory's tourism product.

22. According to reports in the media, in July 2008 the Tourism Sector Development Project was launched. The Project entails an economic and social impact assessment of selected tourism developments and a survey to gauge the attitudes of Anguillians and residents towards tourists and tourism; a tourism master plan to guide the development of the industry over the period 2010-2020; and an institutional development plan for the Tourism Division of the Ministry for Finance, Economic Development, Investment, Commerce and Tourism to enhance the tourism industry and improve the quality of the Territory's tourism product.[13] The contribution of tourism to employment is expected to rise from 5,000 jobs in 2008 to 7,000 jobs by 2018.[14]

23. The following tourist arrivals were recorded in 2008 and presented by the territorial Government per month, with an indication of change as compared to the corresponding month in 2007: January — 6,108, a decrease of 17.6 per cent; February — 7,177, a decrease of 6.4 per cent; March — 8,446, a decrease of 14.6 per cent; April — 6,442, a decrease of 16.7 per cent; May — 6,322, a decrease of 8.5 per cent; June — 5, 177, a decrease of 14 per cent; July — 6,964, an increase of .4 per cent; and August — 6,442, a decrease of 7 per cent.[15]

C. Financial services

24. Anguilla entered the field of financial services relatively late and has a small international finance sector, specializing in insurance, mutual funds, trust and company registration, for whose regulation the administering Power is directly responsible.[2] There is no income, estate or capital gains taxes. The industry includes four commercial banks, and 53 trust companies, among others.[2]

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[11] Information provided by the administering Power on 10 February 2009; and www2.asiaoffshore.org/html/articles01/Anguilla2009-01_id4864.htm.

[12] CIA World Factbook at www.cia.gov, 10 February 2009.

[13] www.eturbonews.com, 28 July 2008.

[14] *World Travels and Tourism Council*, at www.wttc.org/bin/pdf/original_pdf_file/anguilla.pdf, accessed on 11 June 2008.

[15] www.gov.ai, August 2008, accessed 2 March 2009.

25. Anguilla's Financial Services Commission, established in 2004, is an independent regulatory body that focuses on licensing, supervision of licensees, monitoring of financial services in general, reviewing existing financial services legislation and making recommendations for new legislation, as well as maintaining contact with appropriate foreign and international regulatory authorities.[16] As previously reported, according to the administering Power, the Territory has in place anti-money-laundering legislation, including the Proceeds of Criminal Conduct Act, 2000; the Money Laundering Reporting Authority Act, 2000; the Anti-Money Laundering Regulations; the Guidance Notes on the Prevention of Money Laundering; and the Criminal Justice Act.

26. In the context of a review, the House of Commons Foreign Affairs Committee was concerned by the finding of the National Audit Office that the Foreign and Commonwealth Office has been complacent in managing the risk of money laundering in Anguilla. The Foreign Affairs Committee agreed with the report of the United Kingdom Public Accounts Committee issued on 31 March 2008, which, inter alia, recommended that the Governor should use reserve powers to bring in more external investigators or prosecutors to strengthen investigative capacity. In this connection, the administering Power indicated that action was in hand to produce modern crime legislation in the Territory.[17]

D. Agriculture and fisheries

27. Agricultural activity in Anguilla is limited owing to a combination of poor soil and irregular rainfall. Nevertheless, agriculture continues to play a part in the livelihood of the local population. According to reports in the media, the territorial Government is exploring ways to restrict the import of certain agricultural products during some periods of the year, in order to protect local farmers and enable them to market and sell their produce in the Territory.

28. According to the administering Power, there are currently about 400 men directly employed in the fishing industry in Anguilla. In terms of commercial fishing, studies have shown that deep-sea fishing resources in the Anguilla 200-mile exclusive economic zone have the potential for development, where the resources can be exploited in a sustainable manner to satisfy markets locally and regionally.[2]

29. For its part, according to the administering Power, the territorial Government continues to implement plans for institutional strengthening and human resource development in order to effectively manage the fisheries and other marine resources of the island. Staff numbers at the Department of Fisheries and Marine Resources have been steadily increasing since 2005 and the Department is currently in the process of revising the Territory's fisheries legislation which would allow for greater sustainable utilization of Anguilla's fisheries resources.[2]

30. The marine protected areas project, which commenced in July 2005, began its final phases in 2008 with the development and implementation of management plans for the marine protected areas, and the strengthening of related legislation and of the

[16] See Financial Services Commission, at www.fsc.org.ai, accessed on 6 March 2009.

[17] Seventh report of the Foreign Affairs Committee 2007/08 session, Overseas Territories, response of the Secretary of State for Foreign and Commonwealth Affairs, September 2008, Cm 7473, p. 28, at www.fco.gov.uk/resources/en/pdf/pdf1/OST-response-fac.

Department of Environment and the Anguilla National Trust. Earlier project work showed, inter alia, that Anguilla had important reef systems and generally healthy populations of fish.[18]

E. Infrastructure

31. Anguilla continues to undertake projects throughout the island, including road works, port development, schools development and other national infrastructure needs, that fall under the immediate responsibility of the Ministry of Infrastructure, Communications, Utilities, Housing, Agriculture and Fisheries.[2]

32. According to the administering Power, revised measurements indicate that there are approximately 230 kilometres of road, of which 136 kilometres are paved. The Valley Roads Development Project commenced in 2008 with the design and tender of sections of road, which are scheduled to be constructed in 2009. Approximately 12 kilometres of road were constructed in 2008.

33. According to administering Power, master planning for the design and construction of Government office space commenced during 2008 and will continue in 2009. The Blowing Point Ferry Terminal and the Corito Cargo Port Facility projects are being planned, with construction expected to commence during 2009/10.

34. According to the administering Power, capital expenditure on the air transport sector is anticipated to continue. In 2008, negotiations were conducted with a local company for the construction of a fixed base operator facility at Wallblake Airport designed to cater to private jets and other aircraft. It is anticipated that the construction of the facility will commence in 2009.[2] The media reported that Anguilla Air Express, a new executive air service, had started operations between San Juan, Puerto Rico and Anguilla, in February 2009.

F. Communications and utilities

35. According to the administering Power, there is no public transport in Anguilla except taxis, and car rental is widely available. Anguilla has a modern internal telephone system with multiple external gateways, including several microwave relays to St. Maarten/St. Martin, plus a fibre landing point on Tortola for international calls, with competition in mobile, landline and Internet services. Plans are in place to upgrade the Territory's cable television system in 2009 to full digital programming, including the provision of high definition video. The territorial Government is actively pursuing the development of information and communications technology services as a public utility.

36. The territorial Government has recently completed the "corporatization" of the water utility, which is to start trading in early 2009 as a State-owned water corporation. The utility will be regulated by the Public Utilities Commission. The Anguilla Electricity Company purchased two new 3.9-megawatt generators to improve the power supply to its customers. It recently started the process of procuring one additional 5.2-megawatt generator to keep up with energy demand. In

[18] Information provided by the administering Power, 16 January 2008.

addition, the Anguilla Electricity Company is partnering with the territorial Government in a renewable energy initiative. The territorial Government's energy policy inter alia aims to reduce dependence on fossil fuels for power generation and transportation, to use locally available renewable resources such as wind and solar power to the greatest extent possible and to support and advance a local skill base for the power generation sector.[2]

V. Social conditions

A. General

37. Living standards and social indicators in Anguilla compare favourably with those of other countries in the region, with an estimated literacy rate of 95 per cent in 2008.[19] For the same year, the life expectancy at birth for females was estimated to be approximately 83, and 78 for males.[19] Anguilla has had a social security scheme since 1982. In January 2009, the Chief Minister informed a public gathering that, as expected, the wave of global financial implications had struck Anguilla and a number of employment strongholds within the Territory had started to show signs of the related negative effects as a number of persons were being laid off. The territorial Government intended to make a case in London for support in the fight to mitigate the impact of the global financial crisis on Anguilla.[20]

38. As previously reported, in 2008, a national assessment team for the conduct of the country poverty assessment was formed and training for its members has begun. According to the administering Power, initial results of the assessment are expected in early 2009.

39. In 2008, the Ministry of Social Development's Department of Youth and Culture provided technical support to the Anguilla National Youth Council, established in 1976, to further develop a strategic plan designed to help tackle certain priority areas such as capacity-building and institutional strengthening, as well as youth empowerment and the mainstreaming of youth issues. In addition, the National Youth Ambassadors Corps, a component of the Ministry of Social Development, created learning opportunities for young people through involvement in decision-making, with a view to developing local leadership capacity.[21]

B. Education

40. Education in Anguilla is free and compulsory between the ages of 5 and 17 years from the pre-primary to the post-secondary level. According to the administering Power, there are 11 private pre-schools in Anguilla, of which 10 are subsidized by the territorial Government for children between the ages of 3 and 5 years. According to the administering Power, enrolment stands at 451. Children between the ages of 5 and 12 years attend primary school. There are six public and two private primary schools. Special education services are provided at centres

[19] www.cia.gov, 24 February 2009.
[20] www.caribbeannetnews.com, 15 January 2009.
[21] www.caribbeannetnews.com, 5 June 2008.

attached to two of the larger primary schools. Present enrolment in the primary sector is 1,469.

41. Secondary education in Anguilla is provided at two campuses of one secondary educational institution, the Albena Lake Hodge Comprehensive School. Alternative skills programmes are offered at the refurbished old hospital. According to the administering Power, some 1,123 students are currently enrolled at the school.[2]

42. The Professional Development Unit of the Department of Education and the University of the West Indies Distance Education Centre provide tertiary education in Anguilla, offering primary and secondary teacher training and basic skills training programmes. The Centre's extension campus in Anguilla offers a range of distance education programmes to students in the Territory, based on the system used by the University of the West Indies. According to the administering Power, the Anguilla Community College is expected to be established as the Territory responds to the increasing shortage of skilled personnel in the critical hospitality and construction sectors. The College's Development Unit offers courses to the public and spearheads the ongoing development of the College. In February 2009, the Anguilla House of Assembly gave its approval for the establishment of the College.[22]

C. Public health

43. As previously reported, the Board of the Health Authority of Anguilla, installed in December 2003, has responsibility for all primary, secondary and personal health-care services. The Ministry of Social Development is charged with regulating and monitoring the public and private health sectors, including the Health Authority of Anguilla, performing policymaking, regulatory and purchasing functions in relation to health services.

44. The 2009 budget makes provision for EC$ 21 million for the Health Authority. Capital estimates for the development of health services amount to approximately EC$ 2.2 million, while EC$ 2.7 million have been allocated for the capital development of the National Health Fund. As previously reported, efforts to establish a National Health Insurance scheme are under way. According to the administering Power, related legislation has been drafted.

45. There are five health centres in the island's three health districts and one hospital, the Princess Alexandra Hospital, located in the Valley. As previously reported, the territorial Government's health priorities, set out in the strategic plan for health for 2003-2008, included the strengthening of primary and secondary health-care services; and development of the Directorate of Health Services Quality Management in the Ministry of Health, which regulates public and private health services.

46. In 2008, the territorial Government joined the Pan Caribbean Partnership against HIV and AIDS pilot programme testing HIV and AIDS in the Territory. The pilot programme is carried out by the Barbados Ministry of Health in collaboration with, among others, the Caribbean Broadcast Media Partnership on HIV/AIDS.[23]

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[22] www.anguillian.com, 27 February 2009.

[23] www.caribbiansnetnews.com, 26 May 2008.

D. Crime

47. According to the administering Power, the crime rate in Anguilla is low by regional and international standards. The overall statistics for 2007 saw a reduction in crime in comparison to 2006. Similarly, in 2008 Anguilla recorded one murder, and there was a further reduction in violent crime.

48. At the same time, crime against property remained a priority for the Royal Anguilla Police Force in 2008. Moreover, the Head of the Financial Crime Unit was recruited with the assistance of the United Kingdom, and further assistance is being given in such areas as scenes-of-crime training; provision of an evidence-collecting vehicle; installation of computerized and immigration and customs facilities at the ferry port; and the management of prison services.[2]

49. Moreover, according to reports in the media, the Anguilla House of Assembly has amended existing firearms legislation providing for a penalty of $200,000 or five years imprisonment for persons found in possession of firearms and ammunition in the Territory.[6]

50. In the context of a review, the Foreign Affairs Committee recommended that the Government of Anguilla establish an independent inquiry to investigate allegations that Anguillan ministers had accepted bribes from developers in the Territory. Also, the Committee recommended introducing stronger anti-corruption measures in the Territory. For his part, the Chief Minister denied allegations of corruption, but stated that the Government would be willing to cooperate with any request to "bring resolution to these unfounded allegations", adding that the territorial Government was prepared to address the issue of stronger anti-corruption measures as outlined by the Committee, "transparently and effectively".[24]

51. In October 2008, in the context of the Overseas Territories Consultative Council meeting held in London in October 2008, the Chief Minister raised his concern about what he termed unsubstantiated allegations made to the Foreign Affairs Committee that ministers in the Territory were being bribed by developers. In his view, that had the potential to discredit Anguilla internationally. He pointed out that the Foreign and Commonwealth Office had responded to the Committee, indicating that the Governor of Anguilla had not received any substantive evidence of the allegations made in the Committee report.[25]

VI. Environment

52. The territorial Government's Department of Environment and the Anguilla National Trust are the principal entities dealing with environmental issues in Anguilla.[2]

53. During 2008, Anguilla and other Territories in the Caribbean administered by the United Kingdom agreed to work out national strategies to help reduce the debilitating effects of climate change. The focus areas included climate change

[24] www.caribbeannetnews.com, 19 July 2008.

[25] www.gov.ai, 3 November 2008; Seventh report of the Foreign Affairs Committee 2007/08 session, Overseas Territories, response of the Secretary of State for Foreign and Commonwealth Affairs, September 2008, Cm 7473, p. 20, at www.fco.gov.uk/resources/en/pdf/pdf1/OST-response-fac.

impact studies and vulnerability assessments, developing national and sectoral adaptation strategies, and support for public education, outreach and national project management. The exercise was carried out in conjunction with a project of the Caribbean Community (CARICOM) and the European Union that elaborated strategies to counter climate change and biodiversity loss.

54. In the context of the 2008 Overseas Territories Consultative Council meeting, the territorial Government agreed to work together with the United Kingdom to address the potential impact of climate change and to promote sustainable environmental policies with additional support from the United Kingdom's Department for Environment, Food and Rural Affairs.

55. In April 2008, Anguilla launched its National Disaster Warning System after testing the first phase of the national system and following a successful pilot project the previous year. The second phase of the project comprises the establishment of a website through which the public can register to receive emergency and tourism information messages. Partners in the project include the private sector.[26]

VII. Relations with international organizations and partners

56. Anguilla is a member of the Eastern Caribbean Central Bank and an associate member of the Organization of Eastern Caribbean States (OECS), the Association of Caribbean States, the Economic Commission for Latin America and the Caribbean, and CARICOM and the Common Market.

57. As a Non-Self-Governing Territory of the United Kingdom, Anguilla is associated with the European Union but is not a part of it. The Territory has yet to establish its relation to the European Union's Economic Partnership Agreement.

58. As previously reported, the United Kingdom and those Overseas Territories represented at the 2007 Consultative Council, including Anguilla, agreed to extend the United Nations Convention against Corruption to all Overseas Territories at the earliest opportunity. According to the administering Power, this Convention has not yet been extended to Anguilla. Work is ongoing in this regard. At the same time, a proposal for a comprehensive update of reporting requirements on behalf of Anguilla to the International Labour Organization (ILO), and related training requirements are under consideration by the territorial Government.[2]

59. At the Overseas Territories Consultative Council meeting held in London in 2008, the territorial Government agreed on the target date of October 2009 for the extension to the Territory of ILO Convention No. 182 concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour and of the Convention on the Elimination of All Forms of Discrimination against Women, and to consider the options available to meet international obligations on sexual orientation.

60. As previously reported, the Government of Anguilla cooperates directly with other Caribbean Governments and participates in regional projects of various international organizations and agencies. In October 2008 it was reported that Anguilla would join in the consultations, held by States members of OECS, on a proposed economic union.[27]

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[26] www.gov.ai/Disaster.pdf.

[27] Oxford Analytica, www.oxan.com, 1 October 2008.

VIII. Future status of the Territory

A. Position of the territorial Government

61. Developments on constitutional reform efforts involving the future status of Anguilla are referred to in section II of the present paper.

B. Position of the administering Power

62. In a statement made on 6 October 2008 before the Special Political and Decolonization Committee (Fourth Committee) during the sixty-third session of the General Assembly, the representative of the United Kingdom said, inter alia, that her Government's relationship with its Overseas Territories was based on partnership, shared values and the right of each Territory to determine if it wished to retain its link to the United Kingdom, where applicable. Her Government had no intention of imposing independence against their will.[28]

63. She referred to various constitutional review processes that had been undertaken with the aim of providing a modern constitutional framework to reflect the specific circumstances of each Territory. Provisions relating to good governance, human rights and the roles of the Governor and locally elected politicians had been updated. She stated that her Government's support for the Territories was focused on capacity-building and sustainable development, and indicated that the United Kingdom continued to work with the Territories, as appropriate, in areas such as political and economic transparency, security, reduction of vulnerability to natural and non-natural disasters and environmental management.

64. In a paper dated 8 May 2008, sent to the Chairman of the Special Committee for circulation at the Pacific regional seminar on decolonization in Bandung later that month, the United Kingdom similarly set out its position,[29] as based on the 1999 White Paper entitled "Partnership for Progress and Prosperity: Britain and the Overseas Territories".[5] The paper also addressed the status of various constitutional review processes undertaken in the framework of the White Paper.

C. Action taken by the General Assembly

65. On 5 December 2008, the General Assembly adopted, without a vote, resolutions 63/108 A and B, based on the report of the Special Committee transmitted to the General Assembly[30] and its subsequent consideration by the Special Political and Decolonization Committee (Fourth Committee) (A/63/408). Section II of resolution 63/108 B concerns Anguilla. Under that section's operative paragraphs, the General Assembly:

> "1. *Welcomes* the work of the Constitutional and Electoral Reform Commission and its report of 2006, the holding of public and other consultative meetings in 2007, with the aim of making recommendations to the

[28] A/C.4/63/SR.2, paras. 35-37.

[29] The full statement can be found at www.un.org/depts/dpi/decolonization/regional_seminars_statements_08/united_kingdom.pdf.

[30] *Official Records of the General Assembly, Sixty-third Session, Supplement No. 23* (A/63/23).

administering Power on proposed changes to the Constitution of the Territory and the subsequent efforts of the territorial Government to advance the internal constitutional review exercise;

"2. *Stresses* the importance of the previously expressed desire of the territorial Government for a visiting mission by the Special Committee, calls upon the administering Power to facilitate such a mission, if the territorial Government so desires, and requests the Chairperson of the Special Committee to take all the necessary steps to that end;

"3. *Requests* the administering Power to assist the Territory by facilitating its work concerning public consultative outreach efforts, consistent with Article 73 *b* of the Charter of the United Nations and, in that regard, calls upon the relevant United Nations organizations to provide assistance to the Territory, if requested."

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Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples

Western Sahara

Working paper prepared by the Secretariat

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I. Report and good offices of the Secretary-General

1. Pursuant to General Assembly resolution 62/116, the Secretary-General submitted to the Assembly at its sixty-third session a report on the question of Western Sahara (A/63/131). The report covered the period from 1 July 2007 to 30 June 2008 and reviewed the activities carried out by the Secretary-General in the exercise of his good offices.

2. Also during the period under review, the Secretary-General submitted a report to the Security Council on the situation concerning Western Sahara (S/2008/251) pursuant to Security Council resolution 1783 (2007).

3. In that resolution, the Security Council, having considered the report of the Secretary-General (S/2007/619), called upon the parties to continue to show political will and work in an atmosphere propitious for dialogue in order to engage in substantive negotiations, thus ensuring implementation of resolution 1754 (2007) and the success of negotiations. It also called upon the parties to continue negotiations under the auspices of the Secretary-General without preconditions and in good faith, taking into account the efforts made since 2006 and developments of the past months, with a view to achieving a just, lasting and mutually acceptable political solution, which would provide for the self-determination of the people of Western Sahara in the context of arrangements consistent with the principles and purposes of the Charter of the United Nations, and noted the role and responsibilities of the parties in that respect. The Council also decided to extend the mandate of the United Nations Mission for the Referendum in Western Sahara until 30 April 2008. It requested the Secretary-General to provide a report on the situation in Western Sahara well before the end of the mandate period.

4. Pursuant to Security Council resolution 1783 (2007), the Secretary-General submitted a report dated 14 April 2008 to the Security Council (S/2008/251). In that report, the Secretary-General informed the Council that his Personal Envoy had undertaken a visit to the region from 5 to 15 February for in-depth consultations on ways to move the process of negotiations into a more intensive and substantive phase. The Secretary-General also informed the Council that the parties had participated, from 16 to 18 March 2008, in a fourth round of negotiations. Algeria and Mauritania had attended as neighbouring countries. During the discussions, the parties had reiterated their commitment to the process of negotiations. During the meeting, the parties had engaged in a broad exchange of views on the implementation of resolutions 1754 (2007) and 1783 (2007), and to the exercise of the principle of self-determination. In addition, the parties had participated in discussions on thematic subjects related to administration, competencies and organs, as well as to justice, and to resources. The parties were also invited to consider strengthening and expanding the existing programme of confidence-building measures. In this regard, the delegation of the Frente Polisario para la Liberación de Saguía el-Hamra y de Río de Oro (Frente Polisario) replied that it accepted all proposals made by the Personal Envoy, without exception. The parties finally agreed to explore the establishment of family visits by land, in addition to the existing programme by air. Matters with regard to respect for human rights in the Territory as well as in the refugee camps in the Tindouf area were also raised by the parties. In concluding the meeting, the parties agreed to a communiqué of the Personal Envoy and reiterated their commitment to continue the negotiations at a date to be determined by common agreement.

5. With regard to the ceasefire, the Secretary-General informed the Council that the overall situation in the area of responsibility remained generally calm. MINURSO continued to enjoy good relations with both the Royal Moroccan Army and the armed forces of the Frente Polisario. However, both sides continued to abstain from dealing directly with each other. Furthermore, both parties continued to extend their cooperation to MINURSO in the marking and disposal of mines, unexploded ordnance and expired ammunition.

6. With regard to confidence-building measures, the Secretary-General stated that the programme of exchange of family visits led by the Office of the United Nations High Commissioner for Refugees (UNHCR) continued to be successfully implemented in close coordination with MINURSO. The free-of-charge telephone service between the refugee camps near Tindouf and the Territory was operating successfully. UNHCR, with support from MINURSO, had also procured the equipment necessary for the installation of a fifth telephone centre, in Dakhla camp, some 180 kilometres from Tindouf, and was negotiating with the Government of Algeria to secure permission to import the equipment into Algeria. The Secretary-General regretted that the first seminar under the confidence-building programme, to be held in November 2007 in Madeira, Portugal, had been cancelled following Morocco's notification to UNHCR that it was not in a position to accept either the principle or the opportuneness of the seminar. The Secretary-General pointed out that the confidence-building measures programme was the one area in which visible progress had been achieved between the parties recently, that it had the potential to build trust and to help break out of the impasse in other areas, and that it directly affected the quality of life of Western Saharans on a very human level. Therefore, he called upon the international community to demonstrate its support for the continuation of the programme and strongly urged the donor community to contribute generously to the programme.

7. As for human rights, international non-governmental organizations concerned with human rights and other sources had reported the alleged harassment and arrest of Western Saharan human rights and political activists, and pointed to incidents where the rights to freedom of expression, association and assembly appeared to have been compromised by Moroccan authorities in the Territory. In addition, Moroccan media sources expressed concerns about alleged human rights abuses in the Western Saharan camps near Tindouf and highlighted the allegedly deteriorating human rights and humanitarian situation of Western Saharan refugees in the camps.

8. In his observations and recommendations, the Secretary-General welcomed the parties' commitment to continue the process of negotiations but concurred with his Personal Envoy that the momentum could only be maintained by trying to find a way out of the current political impasse through realism and a spirit of compromise from both parties.

9. The Security Council considered the report of the Secretary-General on 30 April 2008 (see para. 12 below).

10. On 14 January 2009, the Secretary-General appointed Christopher Ross of the United States as his Personal Envoy for Western Sahara, replacing Peter van Walsum. The Secretary-General expressed gratitude to Mr. van Walsum for his dedicated service on the important issue of Western Sahara. Mr. Ross was tasked to work with the parties and neighbouring countries based on the most recent Security Council resolution, 1813 (2008), and previous resolutions, building on progress

made to date, in pursuit of a just, lasting and mutually acceptable political solution, which will provide for the self-determination of the people of Western Sahara.

11. On 17 February 2009, the Secretary-General's Special Envoy embarked on a visit to the region for consultations with the parties (Morocco and the Frente Polisario), as part of United Nations efforts to help broker a just, lasting and mutually acceptable political solution regarding the Territory's status. The visit, Mr. Ross's first in his capacity as the Secretary-General's Personal Envoy, followed a meeting the Special Envoy had held in New York the previous week, including with the Secretary-General and members of the Security Council, as well as with Morocco and the Frente Polisario. During his visit, Mr. Ross visited Rabat, Tindouf and Alg iers, before proceeding to Madrid, Paris and Washington, capitals of three of the members of the Group of Friends.

II. Consideration by the Security Council

12. After consideration of the report of the Secretary-General of 14 April 2008 (S/2008/251), the Security Council adopted resolution 1813 (2008) on 30 April 2008. The Council endorsed the recommendation in the report that realism and a spirit of compromise by the parties were essential to maintain the momentum of the process of negotiations. The Council called upon the parties to continue to show political will and work in an atmosphere propitious for dialogue in order to enter into a more intensive and substantive phase of negotiations, thus ensuring implementation of resolutions 1754 (2007) and 1783 (2007) and the success of negotiations; and affirmed its strong support for the commitment of the Secretary-General and his Personal Envoy towards a solution to the question of Western Sahara. The Council went on to call upon the parties to continue negotiations under the auspices of the Secretary-General without preconditions and in good faith, taking into account the efforts made since 2006 and subsequent developments, with a view to achieving a just, lasting and mutually acceptable political solution, which would provide for the self-determination of the people of Western Sahara in the context of arrangements consistent with the principles and purposes of the Charter of the United Nations, and noting the role and responsibilities of the parties in that respect. The Council decided to extend the mandate of MINURSO until 30 April 2009.

III. Consideration by the General Assembly

13. During the general debate at the sixty-third session of the General Assembly, a number of representatives referred to the question of Western Sahara in their statements. During the debate in the Special Political and Decolonization Committee (Fourth Committee), held from 7 October to 21 October 2008, a number of Member States also made reference to the question of Western Sahara.

14. At its 6th meeting, on 10 October 2008, the Fourth Committee heard statements on Western Sahara by the following Member States: Algeria, Benin, Bolivia, Burkina Faso, Congo, the Democratic Republic of the Congo, Equatorial Guinea, Guinea, Gabon, Guinea-Bissau, Nicaragua, Nigeria and Timor-Leste (see A/C.4/63/SR.6).

15. At its 3rd meeting, on 7 October 2008, the Committee heard statements by the following petitioners on the question of Western Sahara: Charles Wilson, Nancy Huff, Helen Hardin, Janet Lenz, Agaila Abba Hemeida, Vincent Chapaux, Hilt Teuwen, Senia Bachir-Abderahman, Cynthia Basinet, Jean Abboud, Delphine Bourgeois, Miguel Ortiz Asín and Felipe Briones Vives (see A/C.4/63/SR.3).

16. At its 4th meeting, on 8 October, the Committee heard statements by the following petitioners on the question of Western Sahara: Txomin Aurrecoechea, Antonio López Ortiz, María López Belloso, Aranzazu Chacon Ormazabal, Alberto Ruiz de Azua Solozabal, Jason I. Poblete, José Manuel de La Fuente Serrano, Saâdani Maoulainine, France Weyl, Anna Maria Stame Cervone, Roberto Goiriz Ojeda, Sydney S. Assor, José M. Romero González, Ahmed Boukhari, Luciano Ardesi, Mildred Thulin, Tanya Warburg, Alouat Hamoudi, Alberto Cid, Erik Jensen, Carmelo Vidalin, Aymeric Chauprade, Ennaba El Moussaoui, El Mami Boussif, Marselha Gonçalves-Margerin, El aafia Hammaidi and Jorge Reinaldo A. Vanossi (see A/C.4/63/SR.4).

17. At its 5th meeting, on 9 October, the Committee heard statements by the following petitioners on the question of Western Sahara: Lorenzo Olaire Cullen, Mikael Simble, Marc Louis Ropivia, Jane Bahaijoub, Eric Cameron, Pedro Pinto Leite, Juan Soroeta Liceras, José Luis Jiménez, Francesco Bastagli, Javier P. Morillas Gómez, Diallo Babacar, Anja Oksalampi and Gilonne d'Origny (see A/C.4/63/SR.5).

18. At the 11th meeting, on 17 and 20 October 2008, a number of States Members also made reference to Western Sahara, as follows: United Kingdom; Morocco, Algeria; and Morocco [see A/C.4/63/SR.11 and A/C.4/63/SR.11 (Resumption 1)].

19. At its 6th and 10th meetings, on 10 and 16 October 2008, the Committee decided to defer action on a draft resolution entitled "Question of Western Sahara" (A/C.4/63/L.5) sponsored by Algeria, Angola, Belize, Bolivia, Cuba, Dominica, Ecuador, Grenada, Jamaica, Lesotho, Mozambique, Namibia, Nicaragua, Nigeria, Rwanda, Saint Kitts and Nevis, Saint Lucia, South Africa, Suriname, Timor-Leste, Uganda, the United Republic of Tanzania, Uruguay, Vanuatu, Venezuela (Bolivarian Republic of), Zambia and Zimbabwe.

20. At its 13th meeting, on 21 October 2008, the Committee had before it a draft resolution entitled "Question of Western Sahara" (A/C.4/63/L.7), submitted by the Chairman to replace draft resolution A/C.4/63/L.5.

21. At the same meeting, the Committee adopted draft resolution A/C.4/63/L.7 without a vote.

22. After the adoption of the draft resolution, statements in explanation of position were made by the representatives of France (on behalf of the States Members of the United Nations that are members of the European Union, and Albania, the former Yugoslav Republic of Macedonia, Turkey and Ukraine), Algeria and Morocco (see A/C.4/63/SR.13).

23. At its 64th plenary meeting, on 5 December 2008, the General Assembly adopted draft resolution I, entitled "Question of Western Sahara", recommended by the Fourth Committee (A/63/408, para. 37), without a vote, as resolution 63/105.

24. In that resolution, the General Assembly supported the process of negotiations initiated by Security Council resolution 1754 (2007) and further sustained by

Council resolutions 1783 (2007) and 1813 (2008), with a view to achieving a just, lasting and mutually acceptable political solution, which would provide for the self-determination of the people of Western Sahara, and commended the efforts undertaken by the Secretary-General and his Personal Envoy in that respect. It welcomed the commitment of the parties to continue to show political will and work in an atmosphere propitious for dialogue, in order to enter into a more intensive phase of negotiations, in good faith and without preconditions, taking note of efforts and developments since 2006, thus ensuring implementation of Security Council resolutions 1754 (2007), 1783 (2007) and 1813 (2008) and the success of negotiations. It welcomed the ongoing negotiations between the parties held on 18 and 19 June 2007, on 10 and 11 August 2007, from 7 to 9 January 2008 and from 16 to 18 March 2008 in the presence of the neighbouring countries under the auspices of the United Nations.

25. The General Assembly called upon the parties to cooperate with the International Committee of the Red Cross, and to abide by their obligations under international humanitarian law.

26. The General Assembly requested the Special Committee to continue to consider the situation in Western Sahara and to report thereon to the General Assembly at its sixty-fourth session, and invited the Secretary-General to submit to the General Assembly at its sixty-fourth session a report on the implementation of the resolution.